

**REPORT  
 HIGHLIGHTS**  
 PERFORMANCE AUDIT

**Subject**

The Washington Elementary School District is located in Maricopa County encompassing north central Phoenix and east Glendale. In FY 2007, the District served 23,145 students in pre-kindergarten through 8th grade. Washington ESD is the largest elementary school district in the State.

**Our Conclusion**

Washington ESD's administrative costs per pupil were lower than the state average, and its plant operation and maintenance costs per pupil were less than the comparable districts' average costs. Student transportation costs per mile were 56 percent higher than the comparable districts' average costs. Proposition 301 monies were spent appropriately, and dollars spent in the classroom were above the state average. Washington will need to expand its English Language Learner's program to comply with the state model.



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**Administrative Costs**

Administrative costs are those associated with directing and managing a school district's responsibilities. At the district level, they are primarily associated with the governing board, superintendent's office, business office, and support services. At the school level, these costs are primarily associated with the principal's office.

Washington ESD spent 8.3 percent of its available operating dollars on administrative costs for FY 2007, lower than the 9.5 state average, but slightly higher than the 7.9 percent average for comparable districts. The District's per-pupil administration costs were slightly higher than the comparable districts' average costs because of higher



Moon Mountain Elementary School  
 Source: District Website

purchased services such as IT services, and consulting services.

**Accounting systems controls need improvement**—The District has not established proper user security to protect its accounting system. Some users had access to the accounting system beyond what was needed to perform their job duties.

**Recommendations**

The District should:

- Regularly review employee access to the accounting system to ensure it is appropriate.
- Implement basic computer security training.

**Student Transportation**

In FY 2007, the District's transportation costs per mile were 56 percent higher and the cost per student was 59 percent higher than the average for comparable districts.

Although the number of riders has remained fairly constant over the years, the percentage of available operating dollars spent on transportation has increased from 3.6 percent (\$5.2 million) in FY 2003 to 4.5 percent (\$7.9 million) in FY 2007.

**Comparable Districts' Average v. Washington**

- Cost per mile \$3.60 - \$5.63
- Cost per rider \$720 - \$1,147

Costs are high primarily because the District employs more transportation employees and pays them incentives.

Washington ESD had 181 transportation employees, 62 percent more than the average of 112 employees of comparable districts. The District's drivers each drove an average of about 13,000 miles in FY 2007, while drivers in comparable districts averaged 17,400 miles each.

The District paid incentives to encourage reliability. It paid \$150 per semester for perfect attendance, \$100 for just one absence, and \$50 for two absences. Although it paid over \$100,000 in incentives, absenteeism was still a problem.

Bus routes were also inefficient. Although overall capacity rates averaged 73 percent, just under the 75 percent standard, almost a quarter of the District's 137 regular routes operated below 50 percent capacity. One route operated at just 4 percent.

The District also did not establish and monitor performance measures to help manage its transportation program.

Measures such as cost per mile, cost per rider, student ride times, and bus utilization can help evaluate efficiency and identify cost savings.

It also appears that the District overstated its transportation mileage, which is the basis for state transportation aid. The District was likely overfunded by \$75,000 in FY 2008.

In addition, some of the DPS standards for bus safety were not met. Preventive maintenance was overdue on 82 percent of the District's 131 buses. Further, a review of 21 drivers' files showed that 11 drivers were overdue for drug tests or had lapsed CPR and first aid certificates. One of the vehicles the District used to transport homeless students also did not meet DPS's safety standards. Specifically, the District used a 12-passenger bus to transport some homeless students to and from school. However, both state and federal law prohibit the use of 11- to 15-passenger vans for transporting students to and from school.

### Recommendations

The District should:

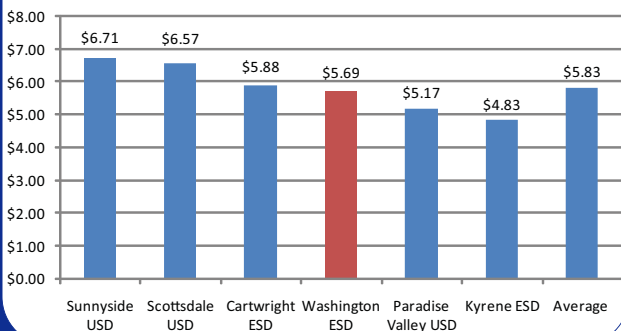
- Review and modify bus driver staffing levels and incentives, as necessary.
- Review and modify bus routes to increase efficiency.
- Establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity use.
- Discontinue using 11- to 15-passenger vans to transport students to and from school.

## Plant Operation and Maintenance

Plant operation and maintenance costs include salaries, benefits, and other costs for heating and cooling, equipment repair, grounds keeping, and security.

student plant costs were 10 percent lower than the \$759 average for comparable districts. Washington spent only 9 percent of its available operating dollars on plant operation and maintenance, while school districts state-wide spent an average of 11.3 percent. In addition, the District's \$684 per-pupil costs were 21 percent lower than the average per-pupil costs for all elementary school districts state-wide. The District keeps its costs low by operating smaller schools with per-pupil square footage closer to state minimum standards.

Cost Per Square Foot  
Fiscal Year 2006



Washington's \$5.69 per-square-foot plant operation and maintenance costs were similar to the \$5.83 average for comparable districts. On a per-pupil basis, the District's \$684 per-

## Proposition 301 Monies

Proposition 301 increased the state-wide sales tax by 0.6 percent for 20 years beginning in FY 2001. Proposition 301 designates the money for teachers' base pay increases, performance pay, and certain menu options such as reducing classroom size, providing dropout prevention programs, and additional pay increases.

In FY 2007, the District received \$9,041,332 in Proposition 301 monies and distributed \$8,852,372 to employees. Unspent monies remain within the District's Classroom Site Fund for the future. Each eligible employee received an average of \$1,242 in base pay, \$2,121 in performance pay, and \$2,422 in menu pay for a total average increase of \$5,757.

## Classroom Dollars

Washington's classroom dollar percentage was 60.1 percent, higher than the state average of 57.9 percent, but lower than the national average of 61.2.

The District spent more per student because of desegregation and federal funding resources.

### FY 2007 per-pupil classroom expenditures

- Washington ESD \$4,560
- Comparable districts \$4,429
- State \$4,277
- National (FY 2005) \$5,321

## Desegregation Monies

Washington ESD is 1 of 19 Arizona districts spending additional monies to address desegregation issues. In FY 2007, the District spent about \$6.1 million to address past findings by the Office of Civil Rights (OCR) of the U.S. Department of Education.

Based on the results of a 1986 OCR compliance review and a 1995 complaint, the District entered into a desegregation agreement with OCR to ensure that it provides equal educational opportunities for English Language Learner (ELL) students.

In FY 1998, the District began levying taxes for its desegregation fund, budgeting \$1.75 million that year. Based on a 2001 study for the Legislature, which identified \$1,527 as an appropriate amount to spend for each

ELL student, the District increased its desegregation spending to about \$5.1 million. In FY 2007, the District spent about \$6.1 million, or \$1,031 per ELL student.

The District has no formal plan for spending its desegregation money. It allocates the money to its schools based on the number of ELL students in each school. The schools use the money to assess students whose primary home language is other than English, and to provide educational programs and highly qualified, trained staff to work with the ELL students. Ninety-five percent of desegregation money is used in the classroom. Without this money, the District would have spent only 58.9 percent of its dollars in the classroom.

## Recommendations

The District should:

- Create a desegregation plan for these monies and budget and levy according to the plan.

## English Language Learner (ELL) Programs

English language learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. They are identified through state-adopted tests that districts are required to administer to students whose primary language at home is other than English. Former ELL students must have their English proficiency retested every 2 years.

**District's ELL program**—According to Washington ESD officials, in FY 2007, the District identified through testing 5,896 ELL students (25 percent of student population). These students were placed in the District's mainstream classrooms with English-proficient students and an ELL-endorsed teacher.

While ELL students received additional reading and language arts intervention in addition to their mainstream classes, in fiscal year 2009, Washington ESD will have to substantially change its ELL

program to meet new state standards. For example, it will need to provide ELL students with at least 4 hours of English language development and group students by English proficiency levels and grades.

**ELL costs and funding**—For FY 2007, the District received about \$9.2 million in ELL-related funding, including \$6.4 million in desegregation money, \$1.9 million in state aid, about \$718,000 in federal grants, and \$83,000 in ELL grant monies from prior years. After covering all of its ELL expenditures, the District had more than \$2 million left over.

Beginning in FY 2007, districts are required to identify and record the incremental costs for ELL, which are costs that are in addition to the normal costs of educating English-proficient students. Washington tracked ELL costs in FY 2007, although some were not incremental. In addition, the District also did not account for the incremental

### TO OBTAIN MORE INFORMATION

A copy of the full report  
can be obtained by calling  
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or by visiting  
our Web site at:  
[www.azauditor.gov](http://www.azauditor.gov)

Contact person for  
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### Recommendations

The District should:

- Begin expanding its English language development instruction in alignment with the adopted models.
- Begin separately accounting for the incremental portion of ELL costs, including those funded by desegregation monies.